



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
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October 31, 1983

P-324-743-389

CERTIFIED RETURN RECEIPT REQUESTED

Mr. Kent Dahlquist
Mining Engineer
Union Carbide Corporation
Metals Division
La Sal, Utah 84532

RE: The Deremo Mine
Water Discharges and
Permitting Requirements
Union Carbide
ACT/037/025
San Juan County, Utah

Dear Mr. Dahlquist:

Union Carbide's letter of September 29, 1983 does not address the directions made in the Division's June 14, 1983 summary of site inspection findings, nor was the letter submitted within the requested thirty day time limit.

It was apparent to the Division staff during their visit on May 25, 1983 that the evaporation ponds, both in Colorado and Utah, were discharging water with no NPDES permit for this discharge known to exist. Union Carbide was requested to take samples and analyses were to be forwarded to the Division for review under authorization of Title 40-8-12 of the Utah Mined Land Reclamation Act, UCA 1953 to determine if there was further cause for concern. These analyses must be submitted. Unless all water has been completely discharged from the ponds, it will still be possible to obtain samples, regardless of whether the pumps were deactivated on Oct. 1, 1983.

Furthermore, it will be necessary for Union Carbide to submit a commitment regarding its use of mine water for drilling. During the May inspection, a pump was noticed near one pond which was used for filling water trucks utilized in Union Carbide's drilling program. If the water contains excessive radiometric values then it must not be used for this purpose. Therefore, Union Carbide is directed to submit a commitment that the mine discharge water will not be used for drilling unless the analysis which is to be submitted substantiates that it is within Utah State Health Department limits, or otherwise demonstrates that there is no potential for radioactive contamination of aquifers or rock strata encountered during drilling.

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The required information must be submitted to the Division in written form within 45 days, of receipt of this letter or a potential for violation of the Act will be presented to the Board of Oil, Gas and Mining in accordance with Title 40-8-8(4).

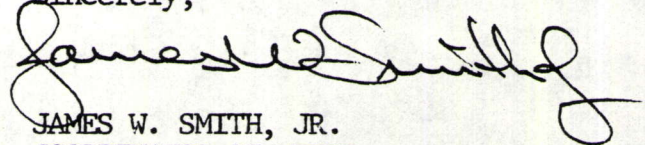
Union Carbide's action to no longer utilize the evaporation ponds is to be considered an amendment to the existing plan and must follow the course of action outlined in Title 40-8-18 of the Act. A notice of intention must be submitted detailing, but not limited to, the following areas:

1. Where will the estimated 7-30 gpm of mine discharge water be stored? What capacity will this area have (volume, mine life storage, etc.)?
2. Existing sediment in the dried ponds must be analyzed for radiometric values, as well as grain size, to determine if a potential exists for contamination via airborne particulates. Also, should this prove to be the case, a plan for immediate removal and disposal of all sediment, including reclamation of the area must be submitted for Division review and approval.
3. Due to the potential for continuing excessive runoff, what provisions have been made for rerouting the water around the ponds and ore piles, particularly if it is destined for natural drainages in Utah?

Please update and provide detailed information regarding the bond estimate for this mine.

The Division will attempt to coordinate a joint Utah - Colorado inspection of the mine in the near future which will also be accomplished in conjunction with staff of the Utah Department of Health. Your cooperation in resolving this matter most expeditiously is appreciated. If you have any questions, please call me or Tom Tetting.

Sincerely,



JAMES W. SMITH, JR.
COORDINATOR OF MINED
LAND DEVELOPMENT

JWS/TNTjvb

cc: Ron De Hollander, Union Carbide
Steve McNeal, State Health
Mike Stanton, Colorado Mined Land Reclamation
Tom Tetting, DOGM
Wayne Hedberg, DOGM
Sue Linner, DOGM
Tom Portle, DOGM
Pam Grubaugh-Littig, DOGM